



RETIREMENT SYSTEM OF THE CITY OF DETROIT

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MINUTES

Meeting No. 40

Meeting of the General Retirement System Investment Committee

May 06, 2019

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on **Monday, May 06, 2019**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, Michigan. Kerrie L. Vanden Bosch, Chairperson, called the meeting to order at 11:59 a.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Committee's Recording Secretary with the following Committee Members present: Kerrie L. Vanden Bosch (Chairperson), Kenneth Whipple (Vice Chairperson), June Nickleberry, Thomas Sheehan, David Sowerby and Nick Khouri (via tele-phone).

Staff Present: Ryan Bigelow (Chief Investment Officer), Kevin Kenneally (Deputy Chief Investment Officer) and Kristi Grden (Investment Analyst).

Committee Members Excused: Doris Ewing (Secretary)

Staff Excused: David Cetlinski (Executive Director) and Gail A. Oxendine (Assistant Executive Director)

Visitors Present: Alicia Haskin, (Great Lakes Water Authority) and John Naglick, (City of Detroit Chief Deputy Financial Officer and General Retirement System Ex-Officio Trustee)

APPROVAL OF MINUTES

Motion #19-40-01: Thomas Sheehan moved to approve the Minutes of **Meeting No. 39, held on Monday, March 25, 2019**, as prepared by the Committees' Recording Secretary. David Sowerby supported. The motion passed unanimously.

APPROVAL OF AGENDA

Motion #19-40-02: Thomas Sheehan moved to approve the agenda dated Monday, May 06, 2019 as prepared by the Committees' Recording Secretary. June Nickleberry supported. The motion passed unanimously.

PRESENTATION:

Chief Deputy CFO John Naglick discussed the following with the Committee:

- City of Detroit Long Term Forecast

Presentation materials were provided

- ***General Counsel Michael VanOverbeke entered the meeting at 12:11 p.m.***

PRESENTATION:

New England Pension Consultants

Representatives Kristin Finney-Cooke, Kevin Leonard and Kim Kaczor from the System's Investment Consulting firm, NEPC, discussed the following with the Committee:

- 2019 Private Equity Program Implementation Program
- Watchlist Review and 1Q19 Preliminary Performance
- Preliminary 03/31/2019 Performance
- Private Equity and Debt Review Fourth Quarter

Presentation materials were provided

Motion #19-40-03: Thomas Sheehan moved to approve the allocation of up to \$15 million dollars to Brookfield Capital Partners V, a "Special Situations" Manager/Fund. Kenneth Whipple supported. The motion passed unanimously.

Motion #19-40-04: Thomas Sheehan moved to allocate up to \$15 million dollars to Adams Street Partners Co-Investment Fund IV, a "Co-Investment" Manager/Fund. Kenneth Whipple supported. The motion passed unanimously.

Discussion

The Committee discussed the allocation of up to \$30 million dollars to a Fund of Fund manager that will allocate a portfolio of "diverse (MWBE) private equity managers. The Committee members gauged the feasibility and decided to bring this recommendation back to a future meeting for approval.

- ***The Committee recessed for a brief break at 1:47 p.m. and resumed at 1:52 p.m.***

Discussion

General Retirement System Investment Committee Special Reporting Obligations: Interim Confirmation of Pension Certificate Executive Summary and Recommendation

Motion #19-40-05: Thomas Sheehan moved to acknowledge receipt of the draft Interim Confirmation of Pension Certificate and authorize that said certificate be signed by the Committee Chairperson. Kenneth Whipple supported. The motion passed unanimously.

Fiduciary Liability Coverage

The Committee discussed the renewal of the various coverages under the Fiduciary Liability Policies. The Committee discussed the appropriate level of liability coverage. The Chief Investment Officer and General Counsel were requested to research the level of coverage carried by other comparable systems and report back to the Investment Committee. The following motion was the result of said discussion:

Motion #19-40-06: June Nickleberry moved to revise the Fiduciary Liability coverages as discussed; taking away the last layer of \$10 million in coverage and reviewing this matter further after a report from staff. Thomas Sheehan supported. The motion passed unanimously.

Chief Investment Officer's Report

Chief Investment Officer, Ryan Bigelow, provided the following updates and discussion items for approval:

- Real Estate Portfolio
- American Realty Update
 - MGRA Genesis Value Fund and engagement of RSM
- Opportunistic Credit
 - Raven Asset Based Opportunity Fund IV
- CEM Benchmarking Study/Report
- April 30, 2018 Black and Blue

Motion #19-40-07: Thomas Sheehan moved to approve the recommendation of the Chief Investment Officer and Investment Staff and start the liquidation process for a full redemption from the UBS Trumbull Property Fund. Kenneth Whipple supported. The motion passed unanimously.

Motion #19-40-08: David Sowerby moved to proceed with the recommendation of the Chief Investment Officer and Investment Staff with respect to the Raven Asset Based Opportunity Fund IV to allow the allocation subject to the firm raising \$250,000.00 for Fund IV per the amended recommendation of the General Retirement System Board. Kenneth Whipple supported. The motion passed unanimously.

Motion #19-40-09: Thomas Sheehan moved to proceed with the recommendation of the Chief Investment Officer with respect to updating the CEM Investment Benchmarking study at a time that is administratively feasible. Kenneth Whipple supported. The motion passed unanimously.

-Concludes CIO's report-

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Legal Report

General Counsel, Michael VanOverbeke, in addition to his formal report, provided the following informational item:

- Administrative Calendar Update

Public/Member Comments

- None

Old Business/New Business

- None

Thomas Sheehan moved to adjourn meeting #40. David Sowerby supported.

ADJOURNMENT

There being no further business before the Investment Committee, **Chairperson Vanden Bosch** adjourned the meeting at 2:29 p.m. The Investment Committee's next meeting is scheduled for **Monday, July 15th, 2019**, at 12:00 p.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,


RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Recording Secretary: TaKneisha Johnson